

Weekly Market Commentary (27.02.2026)

Local Highlights

The **SEMDEX** was down by 0.73% over the week despite an increase of 69.4% w/w in the total market turnover (TMT). Overall, foreigners were **net seller** to the tune of Rs 7.2m. Accounting only for SEMDEX constituents, foreigners were net seller to the tune of Rs 5.1m, with **MCBG** being the main driver of foreign sale, registering a net outflow of Rs 5.3m. Trading activity on the equity board was geared towards **MCBG**, which made up 65.5% of TMT, followed by **SBMH** (4.0%) and **MUAL** (3.5%).

On the banking front, **MCBG** fell by 1.15% to Rs 428.00. Likewise, **SBMH** closed the week lower by 0.91% to Rs 6.54.

Within the conglomerate space, **ERL** gained 2.25% to Rs 20.45. **CIEL** also gained 2.16% to Rs 8.50. Contrastingly, **IBLL** fell by 1.79% to Rs 27.50.

Amid sugar conglomerates, **ALTG** fell by 4.17% to Rs 11.50. Contrastingly **MTMD** gained 0.26%, closing at Rs 19.00.

As for the property sector, **BLL** fell by 1.47% to Rs 0.67. Likewise, **MSE** fell by 2.40% to Rs 61.00.

Regarding hotels, **LUX** (-1.03%) and **NMHL** (-0.72%) closed the week lower at Rs 48.00 and Rs 13.85, respectively.

On the commodities side, **NewGold-MUR** closed the week higher by 5.31% to Rs 2,316.80.

Top Performers

NewGold- MUR	+ 5.31%
Gamma	+ 3.29%
ER Group	+ 2.25%
Ciel	+ 2.16%
Innodis	+ 0.44%

Main Detractors

Grit- USD	- 12.50%
BMH	- 6.45%
PAD	- 4.35%
Alteo	- 4.17%
Stevenhills	- 3.78%

Most Traded Stocks

Most Traded Stocks	% of TMT
MCB Group	65.5%
SBM Holdings	4.0%
MUA	3.5%
ER Group	3.3%
NewGold- MUR	1.6%

Corporate Announcement

MIWA – Agreement with Tereos Océan Indien in connection with the buyback by Sucrière des Mascareignes Limited.

On 27-Feb-26, the Board of Miwa Sugar Limited announced that Miwa Sugar and Tereos Océan Indien have entered into an agreement in connection with the buyback by Sucrière des Mascareignes Limited (the “Company”) of all the shares held by Tereos in the Company, a subsidiary of Miwa Sugar. The Transaction is subject to the satisfaction of certain conditions precedent, including regulatory approvals and, if successfully concluded, would result in Miwa Sugar becoming the sole shareholder of the Company.

International News – US Market

U.S. equity markets experienced a volatile week, ultimately closing lower as renewed tariff uncertainty, evolving AI sentiment and firmer inflation data weighed on investor confidence.

On Monday, equities sold off sharply following renewed trade uncertainty after President Donald Trump announced plans to raise worldwide tariffs to a “legally tested” 15% level, following the Supreme Court’s decision striking down most of his previous global tariffs. The Dow fell 1.7% to its lowest closing level in a month, while the Nasdaq and S&P 500 declined 1.1% and 1.0%, respectively. The European Commission requested clarity on U.S. trade intentions, adding to geopolitical unease. Technology sentiment was further pressured by a 13.2% plunge in IBM after concerns emerged after Anthropic's Claude announced COBOL capabilities. COBOL is a programming language used widely in business data processing, which is a core business area for IBM. Financials stocks led declines, while gold stocks outperformed amid safe-haven demand.

Markets rebounded on Tuesday as bargain hunting emerged following Monday’s steep drop. The Nasdaq gained 1.0%, leading advances, supported by strength in semiconductor stocks which reached a record high. AMD surged 8.8% after announcing a 6-gigawatt agreement to power Meta’s next-generation AI infrastructure. Consumer confidence also improved to 91.2 in February (vs 88.0 expected), providing additional support to sentiment.

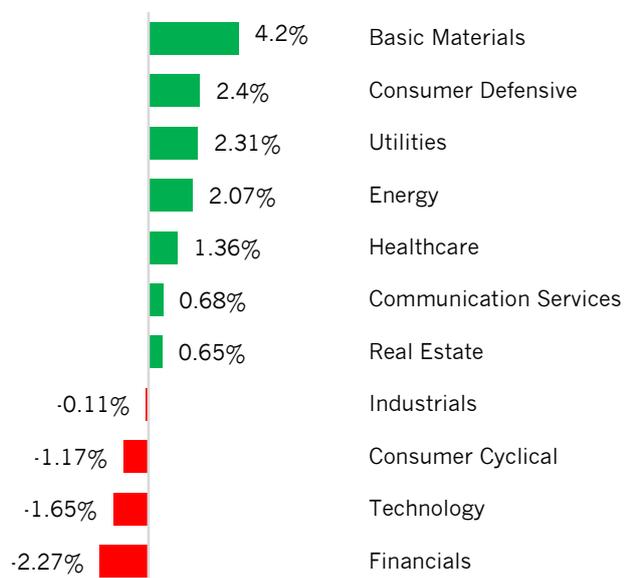
On Wednesday, equities extended gains ahead of Nvidia’s earnings release, with the Nasdaq rising 1.3% and the S&P 500 climbing 0.8%. Semiconductor, software and hardware stocks advanced on optimism around AI demand, while analyst upgrades supported IBM and Oracle. However, housing stocks underperformed during the session.

Sentiment shifted again on Thursday as markets reacted negatively to Nvidia’s earnings, despite the company beating expectations and providing upbeat guidance. Nvidia fell 5.5%, dragging the Nasdaq down 1.2%, while the S&P 500 declined 0.5%. Investors appeared increasingly sensitive to valuation levels and rising competition in the AI space, with semiconductor and networking stocks pulling back from record highs. Outside of technology, gold and airline stocks showed relative strength, while initial jobless claims rose modestly to 212,000, broadly in line with expectations.

On Friday, equities extended losses following stronger-than-expected producer price data. The PPI rose 0.5% m/m in January (vs 0.3% expected), reinforcing concerns that inflation remains sticky and potentially delaying Federal Reserve rate cuts. Although annual PPI eased slightly to 2.9%, the upside surprise heightened stagflation concerns, particularly alongside ongoing AI-related workforce reductions. Financials, airlines, software and semiconductor stocks led the decline, while pharmaceuticals, retail and telecom stocks outperformed defensively.

For the week, the Dow declined 1.3%, the Nasdaq fell 1.0%, and the S&P 500 slipped 0.4%, reflecting a cautious tone as investors balanced trade policy developments, AI sustainability concerns and persistent inflationary pressures.

1 Week Performance



Valuation

	Forward P/E	PEG	P/FCF
Basic Materials	16.58	1.56	33.15
Communication Services	30.00	2.56	31.82
Consumer Cyclical	21.10	1.77	42.87
Consumer Defensive	21.62	3.14	27.61
Energy	15.41	1.62	16.50
Financial	14.09	1.62	11.96
Healthcare	18.15	2.30	25.03
Industrials	23.67	1.97	33.08
Real Estate	29.71	3.39	24.09
Technology	25.96	1.39	35.38
Utilities	16.57	1.91	116.69

Earnings Calendar

	Time (GMT+4)	Ticker	Company	Estimate EPS (USD)
03.03.2026	15.30	TGT	Target Corporation	2.16
05.03.2026	01.15	AVGO	Broadcom Inc.	2.02
06.03.2026	01.00	COST	Costco Wholesale Corporation	4.55

The Week's Defining Stocks

Netflix Inc. (NFLX)

Netflix shares surged nearly 14% on Friday after the company withdrew from the bidding race for Warner Bros Discovery, with investors welcoming the move as a sign of financial discipline. Paramount Skydance secured the \$110 billion deal, which is expected to close in the third quarter of 2026 and paid Netflix a \$2.80 billion termination fee. Netflix declined to match Paramount's \$31 per share offer or raise its \$27.75 bid, stating the acquisition was "no longer financially attractive." Analysts described the withdrawal as positive, allowing Netflix to refocus on its core business while competitors face regulatory hurdles and integration risks. Paramount's offer values Warner at nearly 13 times EBITDA, significantly above its own valuation multiple.

Warner Bros. Discovery Inc. Series A. (WBD)

Paramount Skydance has officially won the bidding war for Warner Bros. Discovery, agreeing to pay \$31 per share in cash in a deal valuing Warner at \$110 billion. The offer, which includes a ticking fee of \$0.25 per share for each quarter the transaction remains pending after September 30, was sufficient to secure board approval without a prolonged bidding battle. Analysts viewed the outcome positively, noting that Warner was strategically more critical for Paramount, particularly as CEO David Ellison seeks to scale the group's streaming platform. The merger is expected to boost Paramount+ through subscriber additions from HBO Max, positioning the combined entity as a stronger competitor to Disney and Amazon. However, the transaction adds significant leverage, with \$57.5 billion in debt financing, and faces potential regulatory and antitrust scrutiny.

NVIDIA Corp. (NVDA)

Nvidia shares fell more than 5% on Thursday despite reporting great quarterly results, as investors questioned the sustainability of AI-driven growth. While revenue guidance of \$78 billion exceeded even bullish expectations and data centre revenue reached \$62.3 billion (91% of total sales), the earnings beat failed to reassure a market already sensitive to elevated valuations and heavy capital expenditure. Investor focus has shifted from near-term performance to concerns around AI capex sustainability, monetisation and cash flow impact. Additional uncertainty stems from Nvidia's pending \$100 billion investment and partnership discussions with OpenAI, with regulatory filings noting no assurance a deal will be completed.

International Business Machines Corp. (IBM)

IBM shares plunged 13.2% on Monday, as investors reacted to concerns that rapidly advancing AI tools could disrupt one of the company's core businesses. The sell-off followed Anthropic's announcement that its Claude Code tool can help modernise COBOL-based systems by automating analysis, mapping code dependencies and identifying risks, tasks that traditionally required significant time and cost. COBOL, widely used in business data processing and mainframe systems, remains central to IBM's enterprise offering. Anthropic stated that AI can streamline modernisation efforts that were previously cost-prohibitive, potentially reshaping legacy system upgrades. The move added to broader AI-related market volatility, with investors increasingly sensitive to disruption risks.

Netflix Inc.

Closing Price (27.02.2026)	\$96.24
<i>Performance</i>	
5 Day	+ 26.60%
1 Month	+ 16.29%
YTD	+ 2.65%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$113.65

Warner Bros. Discovery Inc. Series A.

Closing Price (27.02.2026)	\$28.17
<i>Performance</i>	
5 Day	- 2.59%
1 Month	+ 2.36%
YTD	- 2.26%
<i>Analyst Estimates</i>	
Average Recommendation	Hold
Median Target Price	\$31.00

NVIDIA Corp.

Closing Price (27.02.2026)	\$177.19
<i>Performance</i>	
5 Day	- 7.50%
1 Month	- 4.54%
YTD	- 4.99%
<i>Analyst Estimates</i>	
Average Recommendation	Buy
Median Target Price	\$267.10

International Business Machines Corp.

Closing Price (27.02.2026)	\$240.21
<i>Performance</i>	
5 Day	+ 7.55%
1 Month	- 23.68%
YTD	- 18.91%
<i>Analyst Estimates</i>	
Average Recommendation	Overweight
Median Target Price	\$323.38

The Week's Defining Stocks

Snowflake Inc. (SNOW)

Snowflake forecast fiscal 2027 product revenue above Wall Street estimates, citing strong enterprise demand for AI-driven cloud analytics. The company expects product revenue of \$5.66 billion for the year ending January 31, 2027, ahead of the \$5.50 billion consensus, while first-quarter product revenue forecast of \$1.26–\$1.27 billion also exceeded estimates. CEO Sridhar Ramaswamy highlighted growing adoption of its Snowflake Intelligence platform, now used by over 2,500 customers, and confirmed the signing of a record \$400 million deal. Despite the upbeat outlook, shares fell about 2% in extended trading as investors remain cautious toward software stocks amid broader AI-related market concerns.

Salesforce Inc. (CRM)

Salesforce shares climbed after the company reported better-than-expected fiscal fourth-quarter results and announced a \$50 billion share buyback authorisation. Adjusted EPS came in at \$3.81 versus \$3.04 expected, while revenue rose 12% year-on-year to \$11.2 billion, slightly ahead of forecasts. Current remaining performance obligations reached \$35.1 billion, also exceeding estimates. However, fiscal 2027 revenue guidance of \$45.8–\$46.2 billion was broadly in line with expectations. CEO Marc Benioff cited recent share price weakness as an opportunity for buybacks. The company also completed its \$8 billion acquisition in Informatica, a data management software company that contributed \$399 million in revenue during the quarter. Salesforce also raised its fiscal 2030 revenue from \$60 billion it presented in October. Salesforce is seeing a benefit from its stake in Anthropic, generating an \$811 million gain on strategic investments in the quarter.

Advanced Micro Devices Inc. (AMD)

Advanced Micro Devices shares surged more than 7% after announcing it inked an agreement with Meta (META) to provide the Facebook and Instagram parent with 6 gigawatts of AMD Instinct GPUs to power its AI infrastructure. Shipments for the first gigawatt deployment are expected to begin in the second half of 2026. While financial terms were not disclosed, reports suggest the deal could exceed \$100 billion. As part of the agreement, AMD issued Meta a performance-based warrant for up to 160 million shares of its stock, potentially representing up to 10% ownership, structured to vest as specific milestones associated with Instinct GPU shipments are achieved. CEO Lisa Su described the partnership as a “once-in-a-generation” opportunity aligning AMD’s roadmap with a leading AI player.

All the stocks mentioned in this report are available for trading through Swan Securities Ltd

Snowflake Inc.

Closing Price (27.02.2026) **\$168.41**

Performance

5 Day **+ 6.86%**
1 Month **- 11.68%**
YTD **- 23.23%**

Analyst Estimates

Average Recommendation **Buy**
Median Target Price **\$245.23**

Salesforce Inc.

Closing Price (27.02.2026) **\$194.79**

Performance

5 Day **+ 9.33%**
1 Month **- 7.60%**
YTD **- 26.47%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$278.72**

Advanced Micro Devices Inc.

Closing Price (27.02.2026) **\$200.21**

Performance

5 Day **+ 1.84%**
1 Month **- 18.70%**
YTD **- 6.51%**

Analyst Estimates

Average Recommendation **Overweight**
Median Target Price **\$291.58**

Swan Securities Ltd

Swan Centre
10 Intendance Street
Port Louis, Mauritius

T (230) 208 7010
F (230) 212 9867
W swanforlife.com

BRN C06007932

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